

FISCAL NOTE
HB 33 - SB 28
FIRST EXTRAORDINARY SESSION

April 13, 1999

SUMMARY OF BILL: Amends the apportionment formula used in computing net earnings for excise tax purposes. The new formula would be apportioned to this state by multiplying the earnings by the sales factor only. Under existing law, the apportionment formula is as follows: the numerator is the property factor plus the payroll factor plus twice the sales factor and the denominator of such fraction shall be 4.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$39,000,000

Increase State Expenditures - \$75,900 One-Time

Estimate assumes:

- The decrease in state revenues is estimated to exceed \$39,000,000 based on information provided by the Department of Revenue.
- A one-time increase in state expenditures of approximately \$75,900, of which, \$29,000 is for MIS system implementation costs and \$46,900 is the cost of mailing notices of changes in the excise tax law to approximately 110,000 taxpayers.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

HB 33 - SB 28
FIRST EXTRAORDINARY SESSION